



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Economics, Environmental Analysis and Administration

August 7, 2006

Jeff Houser, Chairperson
Fort Sill Apache Tribe
Route 2, Box 121
Apache, OK 73006

RE: STB Finance Docket No. 34836, Arizona Eastern Railway—Construction and Operation—In Graham County, Arizona.

Dear Chairperson Houser:

On August 4, 2006, the Arizona Eastern Railway (AZER) filed a petition with the Surface Transportation Board (Board) requesting authority to construct and operate a 10-mile rail line in Graham County, Arizona (see Figure 1, enclosed). This proposed rail line would connect Phelps Dodge's proposed San Juan mining operation with an existing 113.5 AZER line that operates between Miami and Bowie, AZ. Pursuant to the National Environmental Policy Act of 1969 as amended (NEPA) and the Board's environmental rules, the Board's Section of Environmental Analysis (SEA) will prepare an environmental document that evaluates the potential environmental effects of the proposed project and the reasonable and feasible alternatives.

This project is located within the area of historical affiliation defined by the Fort Sill Apache Tribe. The Board is very concerned with Native American interest in archaeological sites and sacred and traditional cultural places that may be located within the proposed project area. Please inform us if you have questions and/or concerns about the proposed undertaking and if you would like to consult on this project. We would appreciate receiving your response within 30 days after delivery of this letter, in order to incorporate your comments into the scope of the study, as appropriate.

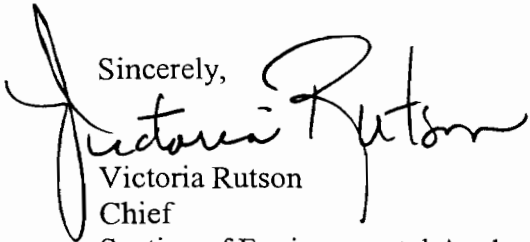
William Self Associates, Inc. (WSA), of Tucson, AZ, is serving as SEA's independent third-party consultant in this process, and will work under SEA's sole directing control and supervision to assist SEA in the preparation of the environmental document. Westland Resources, Inc. will conduct a Class I and Class III Cultural Resources Inventory of the proposed alignment and alternatives as required for compliance with Section 106 of the National Historic Preservation Act of 1966, as amended.

#EO-293
DHW

Please send your comments to:

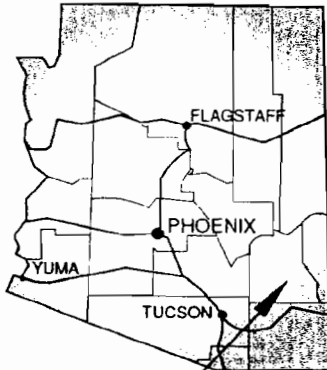
John C. Raveslout, Ph.D.
WSA, Inc.
2424 E. Broadway, Blvd., Suite 100
Tucson, Arizona 85719

If you should have any questions about this project, please do not hesitate to contact John Raveslout at 520-624-0101 or Diana Wood, SEA Project Manager, at 202-565-1552.

Sincerely,

Victoria Rutson
Chief
Section of Environmental Analysis

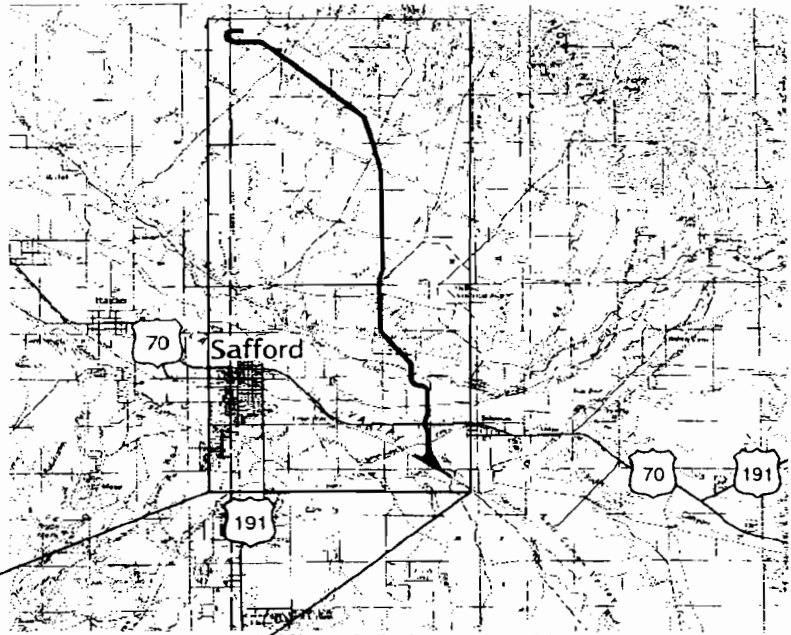
Enclosure

ARIZONA



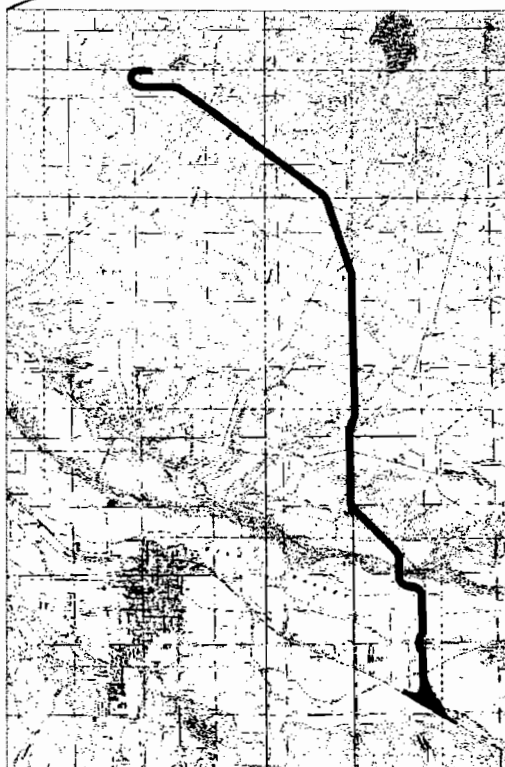
PROJECT
LOCATION

Portion of Graham County



Approximate Scale 1" = 20,000'

Safford 1:100,000 USGS Quadrangle.



T.6S., R.26E., Portion Sections 5, 6, 8, 9, 10, 15, 22, 23, 26, 34 & 35.
T.7S., R.26E., Portion Sections 3, 11, 14, 23, 24, & 25.
Graham County, Arizona,
Weber Peak & Safford 1:24,000 USGS Quadrangles.

0' 6800' 13600'
APPROX. SCALE: 1" = 13600'



PROPOSED ALIGNMENT ARIZONA EASTERN SAFFORD BRANCH PROJECT

VICINITY MAP
Figure 1